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SUBJECT: MURDERED RUSSIAN CENTRAL BANKER'S VISIT TO  
ESTONIA

¶1. (U) In early October, Estonian investigative paper Eesti Ekspress published an article noting that recently-murdered Russian Central Bank Vice-President Andrei Kozlov visited Tallinn in June to meet with the Estonian Financial Supervision Authority (FSA). According to the article, Kozlov verbally demand the closing of several bank accounts at Sampo Bank and Uhispank. He claimed that the accounts were being used to launder large sums of Russian money destined for the West. He alleged that the money represented proceeds from tax evasion and money-laundering schemes. Kozlov only made oral accusations; he did not offer a written account. Since the October Eesti Ekspress article was published, news regarding Kozlov's trip to Estonia has dropped out of the Estonian press.

¶2. (SBU) GOE officials tell us that they have not found any evidence of money laundering related to Kozlov's warning. Andres Palumaa, financial auditor for the FSA, told Poleconoff that, despite Kozlov's warning, the FSA considers the accounts in question to be lawful and reflective of normal volumes and activity. Palumaa stressed that investigations were ongoing. While contending that there is the possibility that something illegal may be going on with the accounts at some level, Palumaa said there is currently no evidence of wrongdoing specifically tied to the Estonian accounts. Palumaa speculated that the Estonian accounts could be one link in a long chain of international financial transactions. As to why Kozlov issued his warning orally instead of in written correspondence, Palumaa stated that no Memorandum of Understanding (MOA) exists between Russia and Estonia concerning money laundering matters. As such, there was no "official" method in place for Kozlov to give information to the FSA. Palumaa said that after Kozlov's warning, the FSA followed up with their Russian counterparts in Moscow, but the Russians said that they had no information to substantiate Kozlov's accusations.

¶3. (SBU) According to MFA Russia Desk Officers Lauri Kuusing and Marge Mardisalu-Kahar, the MFA considers Kozlov's money-laundering warning a non-issue due to lack of proof. However, Kuusing and Mardisalu-Kahar expressed concern about the contract-style killing. They stressed that the murder of a public official on city streets underlines Russia's instability, specifically in the areas of human rights and democracy. These issues, they stated, not Kozlov's unproven allegations concerning Estonian bank accounts, are Estonia's biggest worries about its neighbor.

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